What is claimed is:

1. A method of enabling remote monitoring of digital rights, electronic sales and distribution, by Distributors of digital works owned by third party Publishers, the method comprising providing a digital-works Clearinghouse configured to communicate via a

5   computer network and designed to coordinate collection of meta-data, distribution, monitor usage, track, provide auditing information and deliveries of digital works between Distributors, Publishers and end Consumers, the method further comprising a step of providing a software application to Distributor whereby a Publisher is enabled to remotely monitor transactional, billing, and usage information along with protecting

10   copyrights.

2. The method of claim 1, wherein the software application is hierarchically clustered and loosely coupled.

3. The method of claim 2, wherein the software application has at least one module or combination of modules.

15   4. The method of claim 3, wherein a module is a logging module.

5. The method of claim 3, wherein logging module logs all activity of digital works on distributor site.

6. The method of claim 3, wherein a module is a distribution module.

7. The method of claim 6, wherein the distribution module connects to other

20   distributor's and clearinghouse to transmit digital-work.

8. The method of claim 3, wherein a module is a watermarking module.

9. The method of claim 8, wherein the watermarking module watermarks the digital work in real time before electronic transfer and/or distribution.

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10. The method of claim 8, further comprising the step of providing a Distributor record-generation system for enabling Distributors to create a record that references the digital work.

11. The method of claim 3, wherein one module is an encrypting module.

5   12. The method of claim 3, wherein one module is a streaming module.

13. The method of claim 3, wherein one module is a communications module.

14. The method of claim 3, wherein one module is an advertisement insertion module.

15. The method of claim 14, further comprising the step of interacting with

10   streaming module to insert advertisement in between streams.

16. The method of claim 3, wherein one module is an auditing module.

17. The method of claim 16, wherein the auditing module processes logged data into concise and organized format.

18. The method of claim 18, wherein the auditing information is communicated to

15   Clearinghouse.

19. The method of claim 3, wherein one module is a meta-data reader module.

20. In a system for electronic distribution, distribution auditing of digital works via a computer network, a method of supporting electronic sales, distribution of digital works or licenses to use digital works, the method comprising:

20   Clearinghouse receiving a request for a digital work from a Distributor;

determining where the digital work is available;

passing meta information and encryption key to the Distributor;

Distributor connecting to the Distributor whose system has digital work or to the

Clearinghouse;

transmission of digital work from one Distributor to another or Clearinghouse to Distributor; and

inserting a watermark that records the association between the Distributors or Distributor, Clearinghouse and Distributor.

21. The method of claim 20, wherein the determining step comprises checking a digital-works meta-data database for a record of the digital work.

22. A digital-works clearinghouse comprising:

a database, which stores meta-data relating to digital-works; and

a server configured to coordinate digital-works distribution, such that when a digital work request message is received, the server checks the meta-data database to determine where the digital work is available, passes meta information and encryption key of digital work to the distributor requesting the digital work so that the distributor will connect to the distributor and transmit digital work, and to relay auditing information it has collected from various distributors to the digital-works publisher.

23. A digital-works meta-data database that is automatically updated when a new digital work is available by a communication from the meta-data reader module residing on a remote distributor site that discovers and captures meta-data regarding new digital works available on that distributor's site.

23. The method claim 23 further comprising:

meta-data reader module discovering a new digital work when it becomes available on Distributor's site;

analyzing the new digital-work to determine the proper portions of the digital work to insert watermarks;

capturing meta-data including analysis of digital work available on Distributors site; and

communicating the meta-data captured to the digital-works Clearinghouse.

24. A method of enabling advertisement time-slot arbitrage between advertisers and distributors of digital works comprising:

generating list of available advertisement time slots;

5   displaying list for viewing by third-party advertisers;

communicating a request for inserting advertisement at a given time slot;

transacting for time slot;

accepting the transaction; and

inserting advertisement.

10   26.The method of claim 25, wherein the list generating system comprises;

communication by Distributors regarding available time slots;

compiling a list of all available time slots from all distributors; and

displaying list through clearinghouse.

27. The method of claim 25, wherein Advertiser delivers advertisement to
15   distributor, software application inserts the advertisement.